

Page 1

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of: )  
 ) File No. NY-09989-A  
FLEET FINANCIAL GROUP, INC. ) Amended: 6/12/2019  
 ) 6/14/2019

WITNESS: Richard Yi Xia

PAGES : 1 through 320

PLACE: Securities and Exchange Commission  
200 Vesey Street

New York, New York 10281

The above entitled matter came on for hearing,  
pursuant to notice, at 9:33 a.m.

## Diversified Reporting Services, Inc.

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<p style="text-align: right;">Page 142</p> <p>1 BY MS. HAN:</p> <p>2 Q Mr. Xia, I just want to remind you that</p> <p>3 you're still under oath. And just for the record,</p> <p>4 you and your attorneys didn't have any discussions</p> <p>5 with staff during the lunch break; is that</p> <p>6 correct?</p> <p>7 A Yes.</p> <p>8 Q And also in the prior break that we</p> <p>9 took, we also did not have any discussions -- you</p> <p>10 also did not have any discussions with staff, you</p> <p>11 and your attorneys --</p> <p>12 A No.</p> <p>13 Q -- did not?</p> <p>14 A Right, we did not.</p> <p>15 Q Okay. So, going back to something you'd</p> <p>16 mentioned earlier. You said you get -- in terms</p> <p>17 of income you get \$500,000.00 a year from rental</p> <p>18 income?</p> <p>19 A Yeah, more or less. I don't remember</p> <p>20 exactly, but more or less something like that,</p> <p>21 yeah.</p> <p>22 Q Okay. So, approximately 500,000 from</p> <p>23 rental income?</p> <p>24 A Something like that, yeah.</p> <p>25 Q And that's from the properties you</p>	<p style="text-align: right;">Page 144</p> <p>1 Q Okay.</p> <p>2 A And there is another three, four, 30--</p> <p>3 yeah, that's -- that's it, yeah.</p> <p>4 Q And for 5735 Lawrence Street, is that an</p> <p>5 apartment building or is that a --</p> <p>6 A It's apartment building.</p> <p>7 Q Do you own one unit in that building or</p> <p>8 multiple units or the whole building?</p> <p>9 A I build the whole building.</p> <p>10 Q Okay.</p> <p>11 A And I think I just -- right now I own,</p> <p>12 like, five residential units, one commercial unit.</p> <p>13 Q In that building?</p> <p>14 A Yeah. That building is six units.</p> <p>15 Q That building is?</p> <p>16 A It's only six units.</p> <p>17 Q So, you own all six units?</p> <p>18 A I own five, plus one commercial. I had</p> <p>19 one commercial I sold to other people.</p> <p>20 Q Okay. And the \$500,000.00 --</p> <p>21 approximate \$500,000.00 a year rental income,</p> <p>22 that's from all of those properties you just</p> <p>23 listed?</p> <p>24 A Yeah.</p> <p>25 Q And the rent that you collect from those</p>
<p style="text-align: right;">Page 143</p> <p>1 mentioned, the 140-22 Beech Avenue, 5735 Lawrence</p> <p>2 Street and --</p> <p>3 A And, yeah, a variety of other rental</p> <p>4 properties.</p> <p>5 Q When you say, "A variety of other rental</p> <p>6 properties" --</p> <p>7 A There's one two-family, three-family,</p> <p>8 you know, like investment properties.</p> <p>9 Q That's the other five properties --</p> <p>10 A Yes.</p> <p>11 Q -- that you mentioned earlier?</p> <p>12 A Yeah.</p> <p>13 Q And just so we're clear, you didn't give</p> <p>14 me any addresses for those properties?</p> <p>15 A No. You need address? I can give it to</p> <p>16 you now.</p> <p>17 Q Sure.</p> <p>18 A 6398 Wetherole Street,</p> <p>19 W-E-T-H-E-R-O-L-E, Wetherole Street. 6402</p> <p>20 Wetherole Street and 130 -- 133-54 Avery Avenue.</p> <p>21 Q Avery?</p> <p>22 A Avery -- yeah, Avery Avenue. And 4344</p> <p>23 Colden Street. 153-08 Peck Avenue.</p> <p>24 Q I'm sorry, what was that?</p> <p>25 A Peck, P-E-C-K, Peck Avenue.</p>	<p style="text-align: right;">Page 145</p> <p>1 properties, where does that money go into?</p> <p>2 A That's pay my expenses and everything.</p> <p>3 Q That's not what I'm asking. I'm asking,</p> <p>4 the rent that you collect from the tenants --</p> <p>5 A Yeah.</p> <p>6 Q -- where does that money get deposited</p> <p>7 into? What bank or what bank accounts?</p> <p>8 A Oh, bank account. It's mainly for</p> <p>9 the -- paying to the mortgage, all the mortgage,</p> <p>10 you know, because all these property they all</p> <p>11 carry their own mortgage. So, you know, each --</p> <p>12 each month, you know, we pay -- we pay a lot of</p> <p>13 mortgage on those properties.</p> <p>14 Q Okay. But that money gets deposited</p> <p>15 into -- does it get deposited into a bank account</p> <p>16 in you or your wife's name? Or does it get</p> <p>17 deposited into a account in the name of a company</p> <p>18 or does it get deposited into -- where does that</p> <p>19 money get deposited in it?</p> <p>20 A You see all these entities they own --</p> <p>21 they own all these properties. So, when we get</p> <p>22 the rental money, if it's a check we just pay into</p> <p>23 the -- you know, deposit into the company account</p> <p>24 and it pay for the mortgage. And the -- the rest</p> <p>25 of the money because it's, you know, if the tenant</p>

<p style="text-align: center;">Page 146</p> <p>1 pays cash we, basically, you know, provide it to      2 the job site. Job site every day needed like      3 petty cash every day. So, we provided that and      4 that's -- you know, that's what we -- we've been      5 doing if we have some extra we don't need.</p> <p><b>Q So, how much of that \$500,000.00 is paid in cash and how much of it is in checks?</b></p> <p>8 A I -- I never track that and it's --      9 you know, every -- every month is different. I      10 cannot just tell out of my memory.</p> <p><b>Q Okay. So, the -- you said the buildings or units are owned by entities?</b></p> <p>13 A Yes.</p> <p><b>Q What entities are they owned by?</b></p> <p>15 A Like, Shangri-La Green, Shangri-La 9E,      16 9F, you know, they all own entities.</p> <p><b>Q They all own units?</b></p> <p>18 A Yes.</p> <p><b>Q Okay. And were any of your -- any of the entities that's affiliated with you or your wife, were any of those entities paid for work -- for work done other than work done or services provided to the Eastern Mirage project or the Eastern Emerald project?</b></p> <p>25 A No. They're just for the projects.</p>	<p style="text-align: center;">Page 148</p> <p>1 A He's, basically, go back to the -- to China and working with those agent, Chinese agent to, talk with them about the project and everything.</p> <p><b>Q And that's on the Eastern Emerald project?</b></p> <p>7 A Eastern Emerald project, yes.</p> <p><b>Q And you mentioned your sister earlier, Qiu Xing Xia.</b></p> <p>10 A Yeah. Yeah. Yeah.</p> <p><b>Q Does she ever get paid from any of your affiliated entities for any work done for either the Eastern Emerald project or the Eastern Mirage project?</b></p> <p>15 A She's also a civil engineer and she got paid \$5,000.00 per month from Fleet Financial Group.</p> <p><b>Q And is that the only money that she has received from --</b></p> <p>20 A Yes.</p> <p><b>Q -- you or your wife's affiliated entities?</b></p> <p>23 A Yes.</p> <p><b>Q 5,000 a month for what time period?</b></p> <p>25 A It's been a while. It's, you know, from</p>
<p style="text-align: center;">Page 147</p> <p><b>Q And for the Racanelli Construction Group, do you know how many employees work at the Racanelli Construction Group?</b></p> <p>4 A I don't know.</p> <p><b>Q Do you know how many Perini -- how many employees work at the Perini company -- construction company?</b></p> <p>8 A I don't have that number.</p> <p><b>Q Do you know an individual by the name of Walter Verfenstein?</b></p> <p>11 A Yeah.</p> <p><b>Q Who's Walter Verfenstein?</b></p> <p>13 A Xi Verfenstein's, her husband.</p> <p><b>Q Has he ever done any work related to either the Eastern Mirage project or the Eastern Emerald project?</b></p> <p>17 A Yes.</p> <p><b>Q What work has he done and for which project?</b></p> <p>20 A He was, basically, help us to, like, promote the project.</p> <p><b>Q Promote the project, which project?</b></p> <p>23 A Second project, Eastern Emerald project.</p> <p><b>Q And who was he promoting the Eastern Emerald project to?</b></p>	<p style="text-align: center;">Page 149</p> <p>1 the project -- I think it's 2000 -- I don't remember exactly what year, but it's probably like 2014, '15.</p> <p><b>Q And was that in connection with the Eastern Emerald project or the Eastern Mirage project?</b></p> <p>7 A Both projects. BY MS. WEINSTOCK:</p> <p>9 <b>Q Was she an employee or a consultant?</b></p> <p>10 A Employee.</p> <p><b>Q And did she get paid through ADP?</b></p> <p>12 A Yes. BY MS. HAN:</p> <p>14 <b>Q And you mentioned earlier that there's five percent left to complete in the Eastern Mirage project.</b></p> <p>17 A Yes.</p> <p><b>Q What's left to complete?</b></p> <p>19 A All the miscellaneous items.</p> <p><b>Q I'm sorry?</b></p> <p>21 A Miscellaneous items. No major items. Right now the electrical is done, plumbing is done and -- yeah. And EP is done. So, it's, you know, right now all the marble, everything in place. We just waiting for the plumbing sign off and then</p>